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HOUSE BILL 780

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Ray Begaye

AN ACT

RELATING TO WATER PROJECTS; INCREASING THE SET-ASIDE FROM SEVERANCE TAX BONDING CAPACITY FOR WATER PROJECTS STATEWIDE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-27-10.1 NMSA 1978 (being Laws 2003, Chapter 134, Section 1) is amended to read:

"7-27-10.1. BONDING CAPACITY--AUTHORIZATION FOR SEVERANCE TAX BONDS--WATER PROJECTS PRIORITY.--

A. By January 15 of each year, the board of finance division of the department of finance and administration shall estimate the amount of bonding capacity available for severance tax bonds to be authorized by the legislature. The division shall authorize ~~ten~~ fifteen percent of the estimated bonding capacity each year, and the legislature authorizes the state board of finance to issue severance tax bonds in the annually

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1 deducted amount for use by the water trust board to fund water
2 projects statewide.

3 B. The water trust board shall certify to the state
4 board of finance the need for issuance of bonds for water
5 projects. The state board of finance may issue and sell the
6 bonds in the same manner as other severance tax bonds in an
7 amount not to exceed the authorized amount provided for in
8 Subsection A of this section. If necessary, the state board of
9 finance shall take the appropriate steps to comply with the
10 federal Internal Revenue Code of 1986, as amended. Proceeds
11 from the sale of the bonds are appropriated to the water
12 project fund in the New Mexico finance authority for the
13 purposes certified by the water trust board to the state board
14 of finance.

15 C. Money from the severance tax bonds provided for
16 in this section shall not be used to pay indirect project
17 costs. Any unexpended balance from proceeds of severance tax
18 bonds issued for a water project shall revert to the severance
19 tax bonding fund within six months of completion of the water
20 project. The New Mexico finance authority shall monitor and
21 ensure proper reversions.

22 D. As used in this section, "water project" means a
23 capital outlay project for:

24 (1) the storage, conveyance or delivery of
25 water to end users;

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(2) the implementation of federal Endangered
Species Act of 1973 collaborative programs;
(3) the restoration and management of
watersheds;
(4) flood prevention; or
(5) conservation, recycling, treatment or
reuse of water."